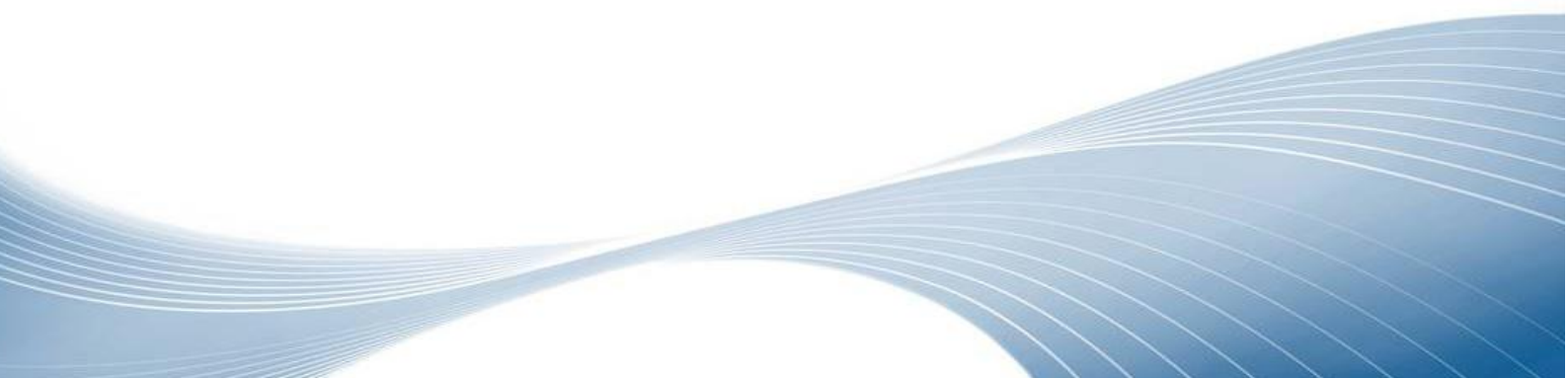


INTERIM FINANCIAL REPORT

**3rd Quarter
2011**

NAVAMEDIC ASA 20 October 2011



Highlights

- **First two generics products launched (post quarter)**
- **Generics business build-up continues as planned**
 - 11 products in approval process by end of Q3
- **Strong Vitaflo sales growth maintained**
 - 32% growth year to date
 - 25% growth Q3 on Q3
 - Positive profit development

Financial results

Navamedic's third quarter 2011 revenues saw a 25 per cent growth over the same quarter last year. Revenues were NOK 17.0 million compared to NOK 13.7 million in the same period of 2010.

EBITDA for the third quarter reached NOK -0.9 million, compared to NOK -1.7 million in the same period of 2010. The results included NOK 2.5 million of operating expenses and developing costs in the Generic Business Area. Another NOK 3.0 million of investments in this business area were capitalised in connection with investments in market authorisations and registration fees for generic products.

Net cash derived from operations year to date was NOK -3.6 million compared to NOK -7.8 million in the same period of 2010. Total change in net cash was NOK -13.6 million compared to NOK -14.7 million in the same period last year.

Key financial indicators 2011 vs. 2010

	Group		Group		Group
(in NOK '000)	Q3 2011	Q3 2010	YTD 2011	YTD 2010	FY 2010
Revenues	17 025	13 654	51 992	39 410	55 092
Gross Profit	7 178	5 248	21 004	15 965	22 104
Gross margin	42 %	38 %	40 %	41 %	40 %
EBITDA	-863	-1 722	-2 942	-4 489	-6 494
EBIT	-2 557	-3 389	-8 032	-9 482	-15 126

Two business areas

Navamedic operates and provides detailed financial information for two business areas: the Vitaflo Scandinavia Business Area, which is a distributor of patented drugs and healthcare products in the Nordic markets, and the Generics Business Area, which is in the process of building up a generic drugs portfolio for the Nordic, Dutch and Belgian markets based on in-licensing of generics from Aspen and additional manufacturers. The reporting format reflects the business profile of the company.

Generics Business Area

Reporting includes revenues and costs related to the sale of products to wholesalers and retail partners based primarily on the distribution agreement with Aspen Healthcare. Currently this segment accounts for the costs and investments associated with obtaining the marketing authorisations of the in-licenced

products from Aspen and other manufacturers. The first two generics products were launched in October and sales commenced in the fourth quarter 2011.

Vitaflo Scandinavia Business Area

Reporting includes revenues and costs related to the sale of products to wholesalers, retail partner and end-users through Vitaflo Scandinavia AB.

Navamedic Business Areas, Q3 2011 vs Q3 2010

(in NOK '000)	Group		Generics		Vitaflo Scandinavia	
	Q3 2011	Q3 2010	Q3 2011	Q3 2010	Q3 2011	Q3 2010
Revenues	17 025	13 654	-	-	17 025	13 654
Gross Profit	7 178	5 248	-	-	7 178	5 248
Gross margin	42 %	38 %	0 %	0 %	42 %	38 %
Operating costs	8 042	6 971	2 529	2 697	5 513	4 274
EBITDA	(864)	(1 723)	(2 529)	(2 697)	1 665	974
Depreciation, amortizations, write offs	(1 694)	(1 666)	-	-	(1 694)	(1 666)
EBIT	(2 557)	(3 389)	(2 529)	(2 697)	(28)	(692)

All revenues in Q3 2011 are attributable to the Vitaflo business area. Revenues grew by 25 per cent compared to the third quarter last year. Sales in the third quarter were the second highest ever for Vitaflo.

From September 2010 Vitaflo Scandinavia started sales of a portfolio of previous GlaxoSmithKline products from Aspen, representing a total of NOK 3.3 million in revenue in Q3 2011.

Sales of the new nutraceutical drink Nutrifriend from Smartfish AS started in July 2011. The sale of the lice remedy NYDA commenced in the third quarter. A modest turnover from these new products is expected in 2011.

Gross margin in the third quarter 2011 ended at 42.2% compared to 38.4% in the third quarter of 2010.

Navamedic had an EBITDA of NOK -0.9 million in the third quarter of 2011 compared to NOK -1.7 million in the same quarter last year. The result reflects ramp-up of activities and costs in the Generics Business Area in preparation for product approvals and launches.

The Generic Business Area booked NOK 2.5 million in operating expenses and development costs, in addition to NOK 3.0 million in capitalised investments in the third quarter.

Navamedic launched its two first generics products in October 2011. With the Generics Business Area still being in a build-up phase, Navamedic expects revenues from these products to be modest in 2011.

Navamedic first nine months; 2011 compared to 2010

(in NOK '000)	Group		Generics		Vitaflo Scandinavia	
	YTD 2011	YTD 2010	YTD 2011	YTD 2010	YTD 2011	YTD 2010
Revenues	51 992	39 410	-	-	51 992	39 410
Gross Profit	21 004	15 965	-	-	21 004	15 965
Gross margin	40 %	41 %	0 %	0 %	40 %	41 %
Operating costs	23 946	20 455	7 866	6 362	16 079	14 093
EBITDA	(2 942)	(4 490)	(7 866)	(6 362)	4 925	1 872
Depreciation, amortizations, write offs	(5 091)	(4 992)	-	-	(5 091)	(4 992)
EBIT	(8 032)	(9 482)	(7 866)	(6 362)	(166)	(3 120)

Revenues for the first nine months of 2011 were NOK 51.9 million, up from NOK 39.4 million in the same period of 2010. This represents a sales growth of 31.7 per cent.

The former GlaxoSmithKline cancer products from Aspen, included in the portfolio in 2010, was the single largest product group in the 2011 sales, representing NOK 10.3 million in the first nine months.

Navamedic's gross margin for the first nine months was 40.4 per cent, compared to 40.5 per cent the previous year.

EBITDA for the first nine months improved from NOK -4.5 million in 2010 to NOK -2.9 million in 2011. The improvement has been realised through a higher gross margin and an increasing level of activity in Vitaflo including increased personnel and sales costs as well as the build-up of the Generics Business Area.

During the first nine months of 2011, the Generic Business Area booked NOK 7,9 million in operating expenses and development cost, and NOK 9.8 million in capitalised investments.

Operational update

Generics Business Area

Navamedic continues its preparations for entry into the exciting market for generic pharmaceuticals also in the third quarter. Another three products were filed for approval during the quarter, bringing the number of filed products to 13 by the end of the quarter. The two first products were launched shortly after the end of the third quarter, marking an important milestone in the development of Navamedic's Generics Business Area.

Mycophenolate Mofetil® (MMF) is an immunosuppressant being used by patients who have undergone organ transplants. The product can replace Roche's CellCept and the market available to Navamedic's MMF is estimated at approximately NOK 160 million. MMF has initially been launched in Sweden, Denmark and Finland.

Olanzapine® is a product used in the treatment of patients suffering from psychotic diseases. The product can replace Eli Lilly's Zyprexa and the market available to Navamedic's Olanzapine is estimated at approximately NOK 70 million. The initial market launch is in Finland and the Netherlands.

Navamedic is determined to take a leading role in the North European generics market. The Company aims to be one of the five leading generics companies in the Nordic region by 2015. Navamedic expects to launch eight generics products in 2012.

The markets for generic pharmaceuticals are growing rapidly, as health authorities across Europe encourage a substitution to generics when patents for the original products expire. The Norwegian

Medicines Agency estimates that the annual savings in selecting generic alternatives currently amount to NOK 2 billion in Norway alone.

An increasing number of patents will expire over the next few years, supporting continued strong market growth for generic pharmaceutical products. The Nordic and Benelux generics markets are expected to have a total market value of more than NOK 10 billion in two years. By this time Navamedic will have at least 13 generic products in the market. The registration and approval process for generic pharmaceuticals can take up to 34 months.

Navamedic started preparations for entering the generics market in February 2010, when the Company entered into a partnership agreement with Aspen Pharmaceuticals of South Africa. Aspen is one of the world leaders in generic pharmaceuticals and Navamedic is Aspens sole distributor in the Nordic and Benelux markets. The number of product candidates filed demonstrates that Navamedic is on track in building an attractive generic pharmaceutical business in the Nordic countries, Belgium and Netherland. The available markets for the 13 candidates filed to date amount to more than NOK 1 billion.

Aspen has production capabilities and capacity for a wide variety of product types including tablets, capsules, steriles, injectables, antibacterials, liquids and creams. The products are renowned for their quality, efficiency and affordability. Aspen has an outstanding generic pipeline and is furthermore one of the leading global players in generic antiretrovirals ("ARVs").

Vitaflo Scandinavia Business Area

Vitaflo Scandinavia achieved its second best quarter ever, after its all time high the previous quarter. The company further improved its attractive margins from the previous quarter, ending the third quarter with a 9.5 per cent EBITDA margin. The progress results from both sales growth in the traditional product portfolio and the introduction of new products.

Due to the regulatory approval process, sales of the new KidNaps product (melatonin drug for children) is expected to commence in the fourth quarter

The new products recently included in the portfolio represent potential additional revenues of more than NOK 15 million on an annual basis.

The reduced revenue from medical nutrition is due to Vitaflo International taking over the sales of the medical nutrition (IEM) products in the Netherlands from April 2010, as previously announced.

Revenues per knowledge area, Vitaflo Scandinavia Business Area

(in MNOK)	Q3 2011	Q3 2010	YTD 2011	YTD 2010	FY 2010
Osteoarthritis	0,3	0,1	0,5	0,4	0,5
Medical Nutrition	4,3	3,8	13,4	13,8	19,4
Oral Medicine	1,7	1,8	4,7	5,2	6,7
Female Care	1,4	0,8	4,5	2,5	3,7
Dermatology	1,3	0,8	4,1	3,5	4,9
Abuse	2,1	2,1	6,1	5,7	7,7
Gastro	0,5	0,8	2,4	2,2	3,1
Neurology	1,7	1,0	4,7	2,9	4,7
Oncology (Glaxo)	3,3	1,5	10,3	1,5	3,7
Ophthalmology	-	-	-	0,1	0,1
Other	0,3	0,9	1,2	1,7	0,4
Total revenues	17,0	13,7	52,0	39,4	55,1

Balance Sheet and Cash Flow

By the end of September 2011, Navamedic held cash and cash equivalents of NOK 0.5 million. At the end of 2010 the total cash and cash equivalents were NOK 14.1 million. Navamedic has secured a credit line of NOK 15M with its main banking partner to secure sufficient working capital going forward.

Net cash flow from operations during the first nine month of 2011 was NOK -3.6 million, compared to NOK -4.7 million in the same period of 2010. Total net change in cash was NOK -13.6 million in the first nine months compared to NOK -14.7 million in 2010. The net cash flow reflects the EBITDA for the period, changes in working capital and fees paid for registration and marketing authorisations. In 2010 the company paid out dividend of NOK 7.5 million.

The 2011 cash flow is affected by investments in market authorisations and registration fees of approximately NOK 9.9 million. Operating expenses for Generics Business Area of NOK 11 million and an expected positive cash contribution from the Vitaflo Scandinavia Business Area of NOK 6 million will give an expected total net cash outflow of approximately NOK 17 million for the full year 2011. Cash in the beginning of the period was NOK 14.1 million.

Outlook

Navamedic will continue to develop its new Generics Business Area, building volumes for the first two products launched in October 2011 and targeting additional eight product launches in 2012. The Company has an attractive pipeline of generic product candidates and are prepared to launch these following the expiration of original drug patents. For 2011 Navamedic anticipates that total investments and costs related to the Generic Business Area will continue to grow. The Company aims at having 13 generic products in the market by the end of 2013.

The Vitaflo Scandinavia Business Area is expected to continue its sales growth in the fourth quarter and next year, based on an expanded product base and increased sales of the current product portfolio. The gross margin is expected to remain in the 38-42 per cent range.

CONDENSED CONSOLIDATED FINANCIAL INFORMATION

PROFIT AND LOSS (unaudited)

<i>(In NOK '000)</i>	Note	Q3 2011	Q3 2010	YTD 2011	YTD 2010	FY 2010
Operating revenues	5	17 025	13 654	51 992	39 410	55 092
Cost of goods sold		9 846	8 406	30 988	23 445	32 988
Gross profit		7 178	5 248	21 004	15 965	22 104
		42,2 %	38,4 %	40,4 %	40,5 %	40,1 %
Payroll expense		4 322	2 755	12 098	8 700	11 952
Other operating cost		3 507	4 862	12 212	13 017	18 700
Other (losses)/gains - net		213	-646	-364	-1 262	-2 054
Operating costs		8 042	6 970	23 946	20 454	28 598
EBITDA		-863	-1 722	-2 942	-4 489	-6 494
Depreciation	9	5	7	15	22	30
Amortization	8	1 689	1 659	5 075	4 970	6 638
Write offs	8	-	-	-	-	1 963
OPERATING RESULT (EBIT)		-2 557	-3 389	-8 032	-9 482	-15 126
Financial income and expenses						
Financial income		28	-	814	-	160
Other financial income		-	8	-	50	130
Financial expenses		-	-	-4	-4	-4
Other financial expenses		-361	-180	-551	-363	-589
Net financial result		-333	-173	259	-318	-303
ORDINARY RESULT BEFORE TAX		-2 890	-3 561	-7 774	-9 799	-15 429
Tax on ordinary result		816	996	2 221	2 757	4 241
NET PROFIT		-2 075	-2 566	-5 553	-7 043	-11 188

BALANCE SHEET (unaudited)

(In NOK '000)	Note	30.09.2011	30.09.2010	31.12.2010
Fixed and Intangible Assets				
Intangible assets	8	86 798	84 234	84 213
Deferred tax assets	10	8 654	5 553	6 585
Tangible assets	9	54	79	71
		-	-	-
Total fixed and intangible assets		95 506	89 865	90 868
Current Assets				
Inventories		11 389	9 766	8 249
Short term receivables	7	9 800	9 186	10 069
Cash at hand, in banks		493	21 010	14 140
		-	-	-
Total current assets		21 683	39 962	32 457
Total assets		117 188	129 827	123 326
Shareholders equity and liabilities				
Shareholders equity				
Paid in capital		128 853	128 853	128 853
Other reserves		-36 470	-24 271	-28 648
Total equity	4,11	92 383	104 582	100 205
Debt				
Deferred tax	10	10 373	12 531	12 046
Long term debt to financial institutions	12	-	-	-
Total long term debt		10 373	12 531	12 046
Trade debtors		6 560	10 933	6 883
Interest-bearing short term debt	12	-	-	-
Received license fees from customers		-	-	-
Other short term debt		7 873	1 781	4 191
Total short term debt		14 433	12 714	11 074
Total debt		24 806	25 245	23 120
Total shareholders equity and liabilities		117 188	129 827	123 326

CHANGES IN SHAREHOLDERS EQUITY

(In NOK '000)	Note	Paid in capital	Other paid in capital/ reserves	Translation differences	Retained earnings	Total
Balance at 31 December 2009		128 786	-362	-3 163	-13 477	111 784
Balance at 1. January 2010		128 786	-362	-3 163	-13 477	111 784
Issue of shares, net of share issue cost		-	-	-	-	-
Issue of not yet registered shares, net of share issue cost		-	-	-	-	-
Paid out dividend		-	-	-	-7 537	-7 537
Share option scheme		102	-	-	-	102
Gains and Losses on Currency Outright Agreements		-	-	-	-	-
Translation difference		-	-	7 044	-	7 044
Net profit of the period		-	-	-	-11 187	-11 187
Balance at 31 December 2010		128 888	-362	3 881	-32 201	100 205
Balance at 31 December 2010		128 888	-362	3 881	-32 201	100 206
Balance at 1 January 2011		128 888	-362	3 881	-32 201	100 206
Paid out dividend		-	-	-	-	-
Share option scheme	11	-	-	-	-	-
Translation difference		-	-	-2 269	-	-2 269
Net profit of the period		-	-	-	-5 553	-5 553
Balance at 30 September 2011		128 888	-362	1 612	-37 754	92 383

CASH FLOW

(In NOK '000)	YTD 2011	YTD 2010	FY 2010
Profit (loss) before tax	-7 774	-9 800	-15 429
Taxes paid	-131	-1 311	-1 062
Depreciation	5 091	4 992	6 668
Changes in inventory	-3 140	-	-2 227
Changes in receivables	858	-	-1 551
Changes in payables	-323	-	-508
Write off	-	-	1 964
Changes in other current items	1 819	-1 741	-1 029
Net cash flow from operations	-3 602	-7 860	-13 174
Cash flow from investments			
Purchase of intangible assets	-9 867	-	-
Purchase of tangible assets	-	-62	-1 710
Investments in shares and acquisition	-	-	-
Net cash flow from investments	-9 867	-62	-1 710
Cash flow from financing			
Proceeds from loan	-	-173	-
Repayment of long term loans	-	-	-
Share options	-	68	-
Dividend payment	-	-7 537	-7 537
Net cash flow from financial activities	-	-7 642	-7 537
Changes in currency	-177	907	893
Net change in cash	-13 646	-14 657	-21 528
Cash and cash equivalents start period	14 140	35 668	35 668
Cash and cash equivalents end period	494	21 011	14 140

Selected explanatory notes

1. Nature of operation

Navamedic ASA (Navamedic) was established in 2002, and comprises Navamedic ASA and the 100 percent owned subsidiaries Vitaflo Scandinavia AB and Navamedic EHF. The company is headquartered at Lysaker outside of Oslo, Norway and maintains its strategy to remain a specialty pharma player with a strong foothold both in the sales and distribution business currently organised in the subsidiary Vitaflo Scandinavia AB, as well as an increasingly important presence in the generic business. The company aims at being the partner of choice for companies wishing to enter the Northern European market.

Navamedic represents more than 45 products from over 20 foreign companies on the Nordic markets through its subsidiary Vitaflo Scandinavia AB. Navamedic aspires to grow both through increased geographical presence and through a broadened product portfolio within selected therapeutic areas.

The new partner of Navamedic, Aspen, is Africa's largest pharmaceutical manufacturer and one of the world's 10 largest generic pharmaceutical companies with distribution in more than 100 countries. Aspen has an annual turnover of about MNOK 11.000, and is listed on the JSE Ltd stock exchange in South Africa.

Aspen has production capabilities and capacity for a wide variety of product types including tablets, capsules, steriles, injectables, antibacterials, liquids and creams. The products are renowned for their quality, efficacy and affordability. Aspen is furthermore one of the leading global players in generic antiretrovirals ("ARVs") and has an outstanding generic pipeline.

Navamedic shares have been listed on the Oslo Stock Exchange since 31 March 2006 under the ticker NAVA.

2. Basis of presentation

These Interim Financial Statements should be read in conjunction with the Consolidated Financial Statements for the year ended 31 December 2010 (hereafter 'the Annual Financial Statements'), as they provide an update of previously reported information. They were approved for issue by the Board of Directors on 7 March 2011. The accounting policies used are consistent with those used in the Annual Financial Statements. The presentation of the Interim Financial Statements is consistent with the Annual Financial Statements. The interim report has not been subject to an audit. The Board of directors approved the interim condensed financial information on 20 October 2011.

3. Summary of significant accounting policies

The accounting policies applied and the presentation of the interim condensed consolidated financial information are consistent with the consolidated financial statements for the year ended 31 December 2010.

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 January 2010:

- IFRS 3 – Business Combinations (revised)
- IAS 27 – Consolidated and Separate Financial Statements (revised)

From 1 January 2011:

- IAS 24 – Related party transactions
- IFRS 7 – Financial instruments
- IAS 1 - Presentations of accounts
- IAS 34 - Interim financial reports

The amendments to IFRS 3 and IAS 27 did not affect the consolidated accounts for 2011.

4. Earnings per share

Earnings per share:

	Q3 2011	Q3 2010	YTD 2011	YTD 2010	FY 2010
Result allocated to shareholders (in NOK '000)	(2 075)	(2 566)	(5 553)	(7 043)	(11 188)
Weighted average of outstanding shares (in '000)	7 537	7 537	7 537	7 537	7 537
Earnings per share (NOK per share)	-0,28	-0,34	-0,74	-0,93	-1,48

Diluted earnings per share:

	Q3 2011	Q3 2010	YTD 2011	YTD 2010	FY 2010
Result allocated to shareholders (in NOK '000)	(2 075)	(2 566)	(5 553)	(7 043)	(11 188)
Weighted average of outstanding shares (in '000)	7 762	7 637	7 762	7 637	7 637
Earnings per share (NOK per share)	-0,27	-0,34	-0,72	-0,92	-0,47

Weighted average of outstanding diluted shares is weighted number of average shares adjusted with share options. Earnings per share are not affected by the dilution if negative results in the period.

5. Segment information

From 1 January 2010 Navamedic has two reporting segments; Vitaflo Scandinavia and Generics (New Business). Comparable figures have been developed for years 2010. This change in reporting format reflects the change in business profile of the company such as the in-licensing of generics from Aspen.

Vitaflo Scandinavia:

Revenues and costs related to the sale of products to wholesalers, retail partner and end-users through Vitaflo Scandinavia AB.

Generics:

Revenues and costs related to the sale of products to wholesalers and retail partners based on the distribution agreement with Aspen Healthcare. Currently this segment accounts for the costs associated with the marketing authorisations of the in-licence products from Aspen. Sales are expected to begin in 2011.

Operating segments for the third quarter 2011 compared with the third quarter 2010

(in NOK '000)	Group		Generics		Vitaflo Scandinavia	
	Q3 2011	Q3 2010	Q3 2011	Q3 2010	Q3 2011	Q3 2010
Revenues	17 025	13 654	-	-	17 025	13 654
Gross Profit	7 178	5 248	-	-	7 178	5 248
Gross margin	42 %	38 %	0 %	0 %	42 %	38 %
Operating costs	8 042	6 971	2 529	2 697	5 513	4 274
EBITDA	(864)	(1 723)	(2 529)	(2 697)	1 665	974
Depreciation, amortizations, write offs	(1 694)	(1 666)	-	-	(1 694)	(1 666)
EBIT	(2 557)	(3 389)	(2 529)	(2 697)	(28)	(692)

Operating segments year to date 2011 compared with the year to date 2010

(in NOK '000)	Group		Generics		Vitaflo Scandinavia	
	YTD 2011	YTD 2010	YTD 2011	YTD 2010	YTD 2011	YTD 2010
Revenues	51 992	39 410	-	-	51 992	39 410
Gross Profit	21 004	15 965	-	-	21 004	15 965
Gross margin	40 %	41 %	0 %	0 %	40 %	41 %
Operating costs	23 946	20 455	7 866	6 362	16 079	14 093
EBITDA	(2 942)	(4 490)	(7 866)	(6 362)	4 925	1 872
Depreciation, amortizations, write offs	(5 091)	(4 992)	-	-	(5 091)	(4 992)
EBIT	(8 032)	(9 482)	(7 866)	(6 362)	(166)	(3 120)

Revenues are allocated to the region where the customer is domiciled.

(in NOK '000)	Q3 2011	Q3 2010	YTD 2011	YTD 2010	FY 2010
Nordic Countries	16 251	12 632	50 458	34 864	50 811
Rest of EU/EEA	773	1 022	1 534	4 366	4 051
Other	-	-	-	180	230
Total revenues	17 024	13 654	51 992	39 410	55 092

The Company's revenues are not influenced by any cyclicity of operations. The Company is however dependent on obtaining national marketing authorisations in order to be able to launch and sell the Company's product as pharmaceutical products. Timing of such authorisations may be difficult to assess in the various cases and countries, and may lead to some periodical movements or revenues and profits.

6. Related party transactions

Navamedic is relying on services provided by third parties, included related parties, as a result of its organisational set-up. None of these third parties are considered as related parties.

7. Credit risk and foreign currency risk

Credit risk

Navamedic trades only with recognised, creditworthy third parties, of whom most companies are large, profitable pharmaceutical companies and wholesalers. Receivable balances are monitored on an ongoing basis with the result that the company's exposure to bad debts is not significant. As per Q3 2011, there is no offset of bad debt.

Maturity profile on short term receivables as per 30 September 2011:

NOK 1000	Not due	Less than 3 months	3 to 12 months	Total
Trade receivables	5 043	2 796	91	7 930
Other receivables	1 870	-	-	1 870
Total receivables	6 913	2 796	91	9 800

Foreign currency risk

Navamedic has transactional currency exposure arising from sales and purchases in currencies other than the functional currencies (NOK and SEK). The major portion of sales is currently in SEK. In relation to normal operations, Navamedic has not implemented any hedging strategy to reduce currency risk.

8. Intangible assets

	Q3		YTD	
	2011	2010	2011	2010
NOK 1000				
Carrying value at the beginning of the period	85 969	81 782	84 213	81 889
Additions	2 927	-	9 867	-
Amortization in the period	-1 689	-1 659	-5 075	-4 970
Exchange differences	-409	4 111	-2 207	7 315
Carrying value at the end of the period	86 798	84 234	86 798	84 234

9. Tangible assets

Changes in carrying value:

	Q3		YTD	
	2011	2010	2011	2010
NOK 1000				
Carrying value at the beginning of the period	59	83	71	33
Additions	-	-	-	62
Depreciation in the period	-5	-7	-15	-22
Exchange differences	-	3	-2	6
Carrying value at the end of the period	54	79	54	79

10. Deferred tax and deferred tax assets

Deferred income tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax relates to the same fiscal authority.

The gross movement on the deferred tax assets accounts as follows:

	Q3		YTD	
	2011	2010	2011	2010
Carrying value at the beginning of the period	8 026	4 976	6 585	3 738
Income statement charge	628	577	2 069	1 815
Carrying value at the end of the period	8 654	5 553	8 654	5 553

11. Share options

Share options are granted to selected employees. The exercise price of the granted options is equal to the market price on the date of the grant.

During 2009, 100 000 share options were granted to Navamedics CEO with an exercise price set at the market share price on the 4 May 2009 of NOK 5.40 per share. Additional share options were granted 15 February 2010 with a total of 50 000 share options to Navamedics CEO. The exercise price was NOK 7.31 per share. In May 2010 the CEO was granted additional 25 000 share options with an exercise price of NOK 6.90 per share. In September 2010 the CFO was granted 30 000 options and the general manager of Vitaflor AB was granted 20 000 share options with an exercise price of NOK 7.00 per share. In July 2011 the Head of Regulatory Affairs was granted 30 000 share options with an exercise price of NOK 9.50 per share. In August 2011 the CFO was granted 20 000 share options with an exercise price of NOK 10.50 per share. In July 2011 the CEO was granted 12 500 share options with an exercise price of NOK 13.50 per share.

A fair value of the options using the Black-Scholes valuation model is by year end 2010 TNOK 833. The significant inputs into the model were a volatility of 60% and annual risk free rate of 2.6% for the first program and 2.3% for the other programs.

Costs related to the outstanding share options were TNOK 25 in Q3 2011 and TNOK 178 year to date.

Share options outstanding at the end of the period have the following expiry date and exercise prices:

Expiry date	Exercise price in NOK per share	Number of shares		
		30.09.2011	30.06.2011	31.12.2010
2012 - 04.05	5,4			100 000
2013 - 15.02	7,3			50 000
2013 - 05.05	6,9			25 000
2013 - 01.09	6,9			50 000
2014 - 18.01	9,5	30 000		
2014 - 4.02	11,0	20 000		
2014 - 26.02	13,5	12 500		
Total	287 500	62 500	0	225 000

12. Credit facility

NOK 000	30.09.2010	30.09.2010	31.12.2009
DnB NOR	-	-	-
Carrying value at the end of the period		-	-

In July 2011 the company entered into a credit facility of NOK 15 million with DnB NOR. The interest rate will be NIBOR with the addition of the margin of 2,75 % p.a. The credit facility is effective in one year.

13. Material events subsequent to the end of the reporting period

To the best of Navamedic's knowledge, there have been no events subsequent to the end of the reported interim period that would influence on the financial statements included in this report.

14. Shareholders information

The company has 516 share owners. As of 30 September 2011 there were 7 537 051 outstanding shares. The largest shareholders are:

Name	# of shares	per cent
INTERSYS NORGE AS	772 000	10,2 %
WEIFA AS	614 117	8,1 %
TEIGEN, FRODE	388 270	5,2 %
ADVANCE INVEST & CONSULTING AS	377 000	5,0 %
NOBELSYSTEM SCANDINAVIA AS	328 705	4,4 %
STORVESTRE, RIKARD ARNE	307 750	4,1 %
HARDING INVEST AS	222 200	2,9 %
SANDVOLD SHIPPING INVEST AS	221 030	2,9 %
KRAEBER VERWALTUNG GMBH	214 850	2,9 %
DANSKE INVEST NORGE VEKST	211 660	2,8 %
CLEARSTREAM BANKING S.A.	156 600	2,1 %
MP PENSJON PK	116 508	1,5 %
SILAN INVEST AS	112 570	1,5 %
BULL, BRITA LIE	102 889	1,4 %
DIRECTMARKETING INVEST AS	100 000	1,3 %
BATJAK AS	100 000	1,3 %
RØTTINGSNES BERNT OLAV	89 351	1,2 %
BREKKE, STEINAR	80 000	1,1 %
TOBLA AS	78 400	1,0 %
JAKOBSEN , LEIF JOHAN	77 820	1,0 %
Sum 20 største	4 671 720	62,0 %

Responsibility statement

We confirm to the best of our knowledge that the condensed set of financial statements for the period 1 January to 30 September 2011 has been prepared in accordance with IAS 34 'Interim Financial Reporting' and gives a true and fair view of the Group's assets, liabilities, financial position and profit and loss as a whole. We also confirm, to the best of our knowledge, that the interim report includes a fair review of important events that have occurred during the first nine months of the financial year and their impact on the condensed set of financial statements, a description of the principal risks and uncertainties for the remaining three months of the financial year, and major related parties transactions.

Lysaker, 20 October 2011

Johan Reinsli (sign)

Chairman

Benedicte H. Fossum (sign)

Board Member

Grete Hogstad (sign)

Board Member

Halvor Stenstadvold (sign)

Board Member

Masha Strømme (sign)

Board Member

Svein Erik Nicolaysen (sign)

Board Member

Olof Milveden (sign)

CEO